

Message Text

UNCLASSIFIED

PAGE 01 MEXICO 05667 062340Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
-----025132 071433Z /50
R 062324Z APR 78
FM AMEMBASSY MEXICO
TO USDOC WASHDC
INFO SECSTATE WASHDC 9367

UNCLAS MEXICO 05667

E.O. 11652: N/A
TAGS: BEXP, MX
SUBJECT: BARTER AND TRADE AGREEMENT

REF: USDOC 4123

1. WE ARE INFORMED BY MEXICAN AUTHORITIES THAT BARTER AND TRADE AGREEMENT (INTERCAMBIO COMPENSADO) HAS NOT EXISTED FOR YEARS, ALTHOUGH THIS TERM HAS BEEN RETAINED TO DESCRIBE SYSTEM OF FEES PAYABLE ON IMPORTS OF SO-CALLED LUXURY GOODS. THESE FEES ARE THEN USED TO PROMOTE MEXICAN EXPORTS BY IMCE (MEXICAN FOREIGN TRADE INSTITUTE). WE ARE FURTHER INFORMED BY GOM THAT SUCH FEES APPLY BASICALLY TO FOLLOWING ITEMS (LISTING MAY NOT BE ALL INCLUSIVE): FOOD PRODUCTS; MOTORCYCLES; MINI-MOTORCYCLES, BICYCLES AND PARTS; AUTOMOBILES; AIRCRAFT AND VESSELS; GLASS AND CLAY PRODUCTS; PLASTIC SHEETS AND PRODUCTS; HOUSEHOLD APPLIANCES; JEWELRY AND SIMILAR PRODUCTS; TOBACCO PRODUCTS; ALCOHOLIC BEVERAGES; FIREARMS AND EXPLOSIVES; TEXTILE PRODUCTS AND APPAREL; AND TOYS.

2. THERE APPEARS SOME CONFUSION AS TO WHETHER THIS FEE APPLIES TO ALL SO-CALLED LUXURY GOODS LISTED, OR SIMPLY TO THOSE WHICH REQUIRE IMPORT LICENSES (EMBASSY HAS REPORTED GRADUAL GOM IMPORT LIBERALIZATION SINCE DECEMBER 1976, INVOLVING ELIMINATION OF PRIOR IMPORT LICENSE REQUIREMENTS AND INCREASE IN DUTIES OF ITEMS LIBERALIZED).

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MEXICO 05667 062340Z

ACCORDING TO GOM, FEE IS PAYABLE ON ALL APPLICABLE MERCHANDISE, WHETHER PRIOR IMPORT LICENSES ARE REQUIRED OR NOT. HOWEVER, KNOWLEDGEABLE IMPORTER OF ALCOHOLIC BEVERAGES AND OTHER COMMODITIES INFORMS EMBASSY THAT THE FEE IS NOT RPT NOT PAYABLE ON MERCHANDISE NO LONGER REQUIRING IMPORT LICENSES. HE STATED THAT HIS FIRM AND OTHERS DISCONTINUED PAYING THIS FEE ON LIQUOR PRODUCTS

LIBERALIZED IN MAY 1977. ACCORDING TO THIS IMPORTER, PREVIOUSLY FEE HAD TO BE PAID TO IMCE AND INVOICES/ CUSTOMS DOCUMENTS STAMPED BY IMCE SHOWING PAYMENT OF FEE BEFORE MERCHANDISE COULD BE WITHDRAWN FROM CUSTOMS. HOWEVER, SINCE LIBERALIZATION IMCE STAMP SHOWING PAYMENT OF FEE HAS NOT BEEN REQUIRED ON DOCUMENTS IN ORDER TO WITHDRAW MERCHANDISE FROM CUSTOMS. IMPORTER STATED THAT GOM FELT IMCE WAS RECEIVING SUFFICIENT FUNDS FOR EXPORT PROMOTION THROUGH FEES COLLECTED ON IMPORTS SUBJECT TO PRIOR IMPORT LICENSES, AND SO DISCONTINUED COLLECTING FEE ON LIBERALIZED ITEMS. THUS FAR, HOWEVER, EMBASSY HAS BEEN UNABLE TO LOCATE ANY GOM REGULATION OR RULING ABOLISHING FEE ON LIBERALIZED ITEMS, BUT WE ARE CONTINUING TO RESEARCH THIS POINT IN HOPES OF PROVIDING DEFINITE ANSWER AS TO WHETHER LIBERALIZED ITEMS REMAIN SUBJECT TO THIS FEE OR NOT.

3. MEXICAN GOVERNMENT AGENCIES PAY FLAT ONE PERCENT FEE ON ALL IMPORTS SUBJECT TO "INTERCAMBIO COMPENSADO" FEE, WHILE PRIVATE IMPORTERS PAY A FEE RANGING FROM ONE AND ONE HALF PERCENT TO 17 PERCENT, DEPENDING ON THE PRODUCT. MOST AFFECTED PRODUCTS PAY A FEE OF ONE AND ONE HALF PERCENT, BUT ALCOHOLIC BEVERAGES ARE SUBJECT TO 17 PERCENT FEE.

4. FEE IS BASED ON FOB INVOICE VALUE OF MERCHANDISE IN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MEXICO 05667 062340Z

QUESTION.

5. WE WERE INFORMED BY MEXICAN AUTHORITIES THAT IN MOST CASES MEXICAN IMPORTERS BEAR ACTUAL COST OF THIS FEE, WHILE IN SOME CASES (PRESUMABLY FOR COMPETITIVE REASONS) FOREIGN EXPORTERS MAY BEAR COSTS.

6. WHILE WE ARE IGNORANT OF FACTS IN SPECIFIC CASE MENTIONED REFTEL, IT IS POSSIBLE THAT MEXICAN BUYER WAS ASKING US SELLER FOR DISCOUNT IN PURCHASE PRICE TO COVER OR PARTIALLY COVER THE COST OF THIS IMPORT FEE. HOWEVER, ONE IMPORTER TOLD US THAT IF FOREIGN SUPPLIER OFFERED HIM DISCOUNT TO COVER THIS FEE HE WOULD MUCH PREFER LOWER INVOICE PRICE ON IMPORTED MERCHANDISE SINCE THIS WOULD RESULT IN LOWER CUSTOMS DUTY AS WELL AS LOWER IMPORT FEE.

7. EMBASSY WILL SUBMIT FOLLOW-UP REPORT WHEN POINT RAISED IN PARAGRAPH TWO ABOVE IS RESOLVED.
THOMPSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 06 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MEXICO05667
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780150-0927
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780486/aaaacuux.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7c8e5cb5-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3055563
Secure: OPEN
Status: NATIVE
Subject: BARTER AND TRADE AGREEMENT
TAGS: BEXP, MX
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/7c8e5cb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014